Concern of Trade Unions on Banking activities

3983. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether Trade Unions are concerned with the changing trend lines, outsourcing of activities, disinvestment in Public Sector Banks, etc. in banking activities; and

(b) if so, what steps have been taken to address their concern?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Yes, Sir. Indian Banks' Association has reported that the trade unions in public sector banks are concerned with issues like, outsourcing of activities and disinvestments in public sector banks. On the issue of disinvestment in banks, the holding of Central Government in nationalised banks is not expected to go below 51% and as such the banks will retain their public sector character.

As regards the outsourcing, globally banks are increasingly using it as a measure of both reducing costs and accessing specialist expertise, not available internally and for achieving strategic aims. The trade unions of workmen in banks had also agreed in the VIII Bipartite settlement that outsourcing would be required in specialized areas. The Reserve Bank of India (RBI) has issued draft guidelines on outsourcing of financial services by banks which intend to provide direction and guidance to the banks to adopt sound and responsive risk management practices for effective oversight, due diligence and management of risk arising from such outsourcing activities. Banks would be required to put in place a Board approved policy for outsourcing based on the final guidelines of RBI.

Percentage of GDP in black money

3984. MS. MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) what is the percentage of GDP in black money in India in 2006;

(b) whether it is a fact that if this black money is taxed, then Government can earn more than Rs. 12 lakh crores revenue per annum;

(c) whether Government have any plans or mechanisms to unearth black money and tax the same; and

(d) if so, the details thereof and measures it plans to undertake?